

May 1, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

- (1) Account Number - 4637788, in the amount of \$ 8,333
- (2) Account Numbers- 5877815, 5984952, 6082343,
6189766, & 6305831, in the amount of \$ 28,500
- (3) Account Number - 3456624, in the amount of \$ 17,900
- (4) Account Number - 5161820, in the amount of \$220,000
- (5) Account Number - 5082228, in the amount of \$380,900
- (6) Account Number - 4509043, in the amount of \$804,006

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offer of settlement for patient accounts (1) and (2) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases. The compromise offers of settlement for patient accounts (3) - (6) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.

JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

FISCAL IMPACT:

This will expedite the County's recovery of partial payments totaling approximately \$1,459,639, from two patients' proceeds due from third-party liability settlements, and four patients' insurance (Commercial or HMO) companies, for the medical care provided.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

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Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: May 1, 2003

Total Charges	\$42,948	Account Number	4637788
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$42,948	Date of Service	03/25/02-03/29/02
Compromise Amount Offered	\$ 8,333	Facility	Harbor/UCLA Medical Center
Amount to be Written Off	\$34,615		

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA and incurred total charges of \$42,948 for medical services rendered. The compromise offer of \$8,333 exceeds the Medi-Cal contract rate by 174.3% for the medical services provided.

The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$ 8,333	\$ 8,333	33.3%
H/UCLA	\$42,948	\$ 8,333	33.3%
Net to Patient		\$ 8,334	33.4%
Total	\$51,241	\$25,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: May 1, 2003

Total Charges	\$130,133	Account Number	5877815/5984952/6082343/ 6189766/6305831
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$130,133	Date of Service	08/04/00-08/27/00, 09/11/00, 09/25/00, 10/17/00, 10/30/00, 11/27/00, & 01/08/01
Compromise Amount Offered	\$28,500	Facility	LAC+USC Medical Center (LAC+USC)
Amount to be Written Off	\$101,633		

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC and incurred total charges of \$130,133 for medical services rendered.

The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees and costs	\$40,497	\$40,497	40.5%
LAC+USC	\$130,133	\$28,500	28.5%
Other Lien Holders	\$4,525	\$4,525	4.5%
Net to Patient		\$26,478	26.5%
Total	\$177,133	\$100,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: May 1, 2003

Total Charges	\$93,712	Account Number	3456624
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$93,712	Date of Service	11/06/99-11/20/99
Compromise Amount Offered	\$ 17,900	% Of Settlement	19% of Gross Charges
Amount to be Written Off	\$75,812	Facility	Harbor/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is based on previously negotiated reimbursement rate with this insurance company for the services rendered and is greater or equal to the Medi-Cal contract rate.

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DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: May 1, 2003

Total Charges	\$340,928	Account Number	5161820
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$340,928	Date of Service	11/29/02-12/23/02
Compromise Amount Offered	\$ 220,000	% Of Settlement	65% of Gross Charges
Amount to be Written Off	\$120,928	Facility	Harbor/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the maximum allowable by the patient's insurance (Commercial or HMO) for the services rendered to this patient.

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DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: May 1, 2003

Total Charges	\$1,120,438	Account Number	4509043
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$1,120,438	Date of Service	12/06/01-03/08/02
Compromise Amount Offered	\$804,006	% Of Settlement	72% of Gross Charges
Amount to be Written Off	\$316,432	Facility	Harbor/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the maximum allowable by the patient's insurance (Commercial or HMO) for the services rendered to this patient.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: May 1, 2003

Total Charges	\$507,454	Account Number	5082228
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$507,454	Date of Service	10/20/02-12/03/02
Compromise Amount Offered	\$380,000	% Of Settlement	75% of Gross Charges
Amount to be Written Off	\$127,454	Facility	Harbor/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the maximum allowable by the patient's insurance (Commercial or HMO) for the services rendered to this patient.